

85-00432

# OFFICE OF THE ATTORNEY GENERAL

CHARLES A. GRADDICK  
ATTORNEY GENERAL  
STATE OF ALABAMA

JUL 9 1985

JAMES R. SOLOMON, JR.  
DEPUTY ATTORNEY GENERAL  
  
WILLIAM M. BEKURS, JR.  
EXECUTIVE ASSISTANT  
  
WALTER S. TURNER  
CHIEF ASSISTANT ATTORNEY GENERAL  
  
JANIE NOBLES  
ADMINISTRATIVE ASSISTANT

ADMINISTRATIVE BUILDING  
64 NORTH UNION STREET  
MONTGOMERY, ALABAMA 36130  
AREA (205) 834-5150

Hon. Luther Redden  
Finance Director  
Montgomery County Commission  
Post Office Box 1667  
Montgomery, Alabama 36192

Counties - Utilities - Funds -  
Penalties

Counties, as subdivisions of  
the State, are not subject to  
penalties imposed by  
utilities.

Dear Mr. Redden:

We have received and considered your recent request for  
an opinion from the Attorney General. Your question is as  
follows:

At the present time, Montgomery County is  
being charged a late penalty by Dixie  
Electric Cooperative. An Attorney  
General's opinion is requested in  
response to the following question. As  
counties are subdivisions of the State of  
Alabama, would Montgomery County be  
subject to late penalties imposed by  
Dixie Electric Cooperative or other  
vendors?

In previous opinions, the Attorney General has stated  
that agencies of the state are not subject to penalties  
imposed by utility companies. (Opinion to Gilbert R. Craft,  
September 23, 1983). A further opinion has stated that the  
Dixie Electric Cooperative has no statutory authority to

Hon. Luther Redden  
Page Two

impose a penalty against the state or its agencies. (Opinion to Ray Bass, August 10, 1983 and J. E. Dollar, September 26, 1973).

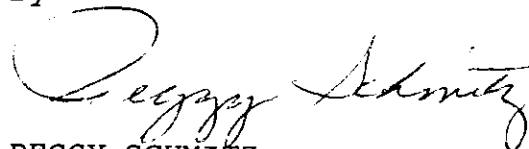
A county is by statute a political subdivision of the state [ Code of Alabama, 11-1-1,2; Alexander v. State ex rel. Carver, 150 So.2d 204 (1963)]. As such, it would not be subject to a late penalty imposed by the Dixie Electric Cooperative nor does the Cooperative have statutory authority to impose such a penalty.

The Attorney General reiterates the admonition he has given previously that all steps necessary be taken by the state, its agencies, and subdivisions for prompt payment of bills owed to utilities.

We hope this information will assist you. If we may be of service in the future, please contact us.

Sincerely,

CHARLES A. GRADDICK  
ATTORNEY GENERAL  
By-



PEGGY SCHMITZ  
ASSISTANT ATTORNEY GENERAL

CAG:PS:fm